



Annual Report 2004

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**Indiana Horse Racing
Commission**



Indiana Horse Racing Commission State of Indiana

Mitchell E. Daniels, Jr., Governor

www.state.in.gov/ihr

September 1, 2005

The Honorable Mitchell E. Daniels
Governor of the State of Indiana
Room 206, The Statehouse
Indianapolis, IN 46204

Dear Governor Daniels,

Since my appointment as Chairman of the Indiana Horse Racing Commission five months ago, it has been my distinct pleasure to meet and work alongside other commissioners and Commission staff, as well as citizens and groups involved in the horse racing industry. I look forward to keeping you and your office apprised of the progress of this sector of our economy.

This annual report encompasses the calendar year 2004. I want to give my thanks to two men who served as Chairman of the Commission during that year: Dick Darko and Jim Lauck. Just prior to my appointment in April, Alan Armstrong also served as Chairman. I am indebted to all of these men for their leadership and help as I assumed my duties.

The year 2004 was the second year that both Hoosier Park and Indiana Downs conducted complete seasons for all racing breeds. The addition of the States' fifth off-track betting facility (OTB) in Clarksville contributed to an all time record handle of \$187 million for Indiana.

Shortly after my appointment, I attended the Association of Racing Commissioners International (ARCI) meeting in Lexington, Kentucky. This gave me an opportunity to listen to regulators from across the country discuss the challenges faced as they regulate the pari-mutuel industry. It was apparent that Indiana's regulatory program is held in high esteem among our counterparts in other states.

This report will provide the pertinent facts and figures needed to obtain a clear picture of the status of our horse racing industry through 2004. However, as you know, the story behind the statistics is that of hard-working Hoosiers who love caring for, breeding and racing horses. Owners, trainers, drivers, jockeys, veterinarians, farmers, staff and patrons of our two tracks and five satellite facilities complete the picture. They deserve dedicated and diligent efforts in upholding the integrity of the racing program, and enforcing fairly the laws and regulations of horse racing.

Thank you for the opportunity to serve on this Commission. My fellow commissioners and I will work hard to ensure Indiana's racing program continues to be one of the best in the nation.

Sincerely,

Sarah W. McNaught, Chairman
Indiana Horse Racing Commission

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Indiana Horse Racing Commission

Commissioners



Chairman McNaught

Sarah McNaught.....	Chairman * (2006)
Alan Armstrong.....	Vice-Chairman * (2007)
Jim Lauck.....	Secretary * (2008)
Doug Grimes.....	Member * (2005)
Will Koch.....	Member * (2005)

** Term expires September 1st of year indicated.*

Indiana Horse Racing Commission

Staff

Joe Gorajec..... Executive Director
Deena Pitman..... Assistant Executive Director
Robert Smith..... Director of Security
Wendi Samuelson-Dull..... Controller
Jessica Barnes Director of Standardbred Racing
Jacki Brown Thoroughbred & Quarter Horse Development Director
Shirley Murphy..... Licensing Supervisor
Pat Adams..... Assistant Director of Security
Richard Wilbur..... Investigator
Brad Jones..... Investigator

To further assist the Commission with its regulatory responsibilities, the following individuals provided professional or technical service at Hoosier Park and Indiana Downs during the 2004 racing season.

Standardbred Judges

Timothy Schmitz, Presiding Judge
Richard Williams, Associate Judge
Jim Curran, Associate Judge

Thoroughbred Stewards

Gary Wilfert, Senior State Steward
Mike Manganello, Associate Steward
Jim Higginbottom, Associate Steward
Richard Evans, Associate Steward

Commission Veterinarian

Leslie Ahluwalia, D.V.M.
Hollendonner Equine Clinic
David Morgan, D.V.M.
Russell Burger, D.V.M.

Veterinary Technicians

Stephanie Adams
Claudia Shaff
Barbara Sigman
Cheryl Morris
Deanna Koger
Cynthia Lanman

Racing Inspectors

Paul Clark
Karla Vaughn
Shelly McCracken-
Rania

Advisory Committee Standardbred Breed Development

Ernest M. Gaskin, *Chair*
Henry B. Blackwell, II
Nat Hill, IV

Thoroughbred Breed Development Advisory Committee

James Carmichael, D.V.M. *Chair*
Mari Hulman George
Jim Elliott

Standardbred Advisory Board

Jeff Henson, *Chair* Nancy Sabatini
Richard Link Randy Dever
Scott Snyder Michael Thompson/Pam Cross
Jessica Barnes, *ExOfficio Member*

Quarter Horse Breed Development Advisory Committee

Shirley Tresner, *Chair*
Michael Renihan

Live Racing at Tracks

Standardbred

	Hoosier Park	Indiana Downs	Total
Number of Dates	60	82	142
Total Handle	\$2,634,124	\$2,407,614	\$5,041,738
Average Daily Handle	\$43,902	\$29,361	\$35,505

Thoroughbred

	Hoosier Park	Indiana Downs	Total
Number of Dates	60	48	108
Total Handle	\$2,935,526	\$2,480,386	\$5,415,912
Average Daily Handle	\$48,925	\$51,675	\$50,147

Quarter Horse

	Hoosier Park	Indiana Downs	Total
Number of Races	38	30	68
Total Handle	\$105,086	\$108,212	\$213,298
Average Daily Handle	\$2,765	\$3,607	\$3,137

Total Live Handle

Hoosier Park	Indiana Downs	Total
\$5,674,736	\$4,996,212	\$10,670,948

Simulcast Handle

Export Handle (1)

	Hoosier Park	Indiana Downs	Total
Thoroughbred	\$69,722,940	\$10,837,208	\$80,560,148
Standardbred	37,579,407	15,365,282	52,944,689
Quarter Horse	1,563,197	699,432	2,262,629
Total	\$108,865,544	\$26,901,922	\$135,767,466

Average Daily Export Handle

	Hoosier Park	Indiana Downs
Thoroughbred	\$1,162,049	\$225,775
Standardbred	626,323	187,381
Quarter Horse*	41,137	23,314

* Quarter Horse handle is reported on a *per race* basis.

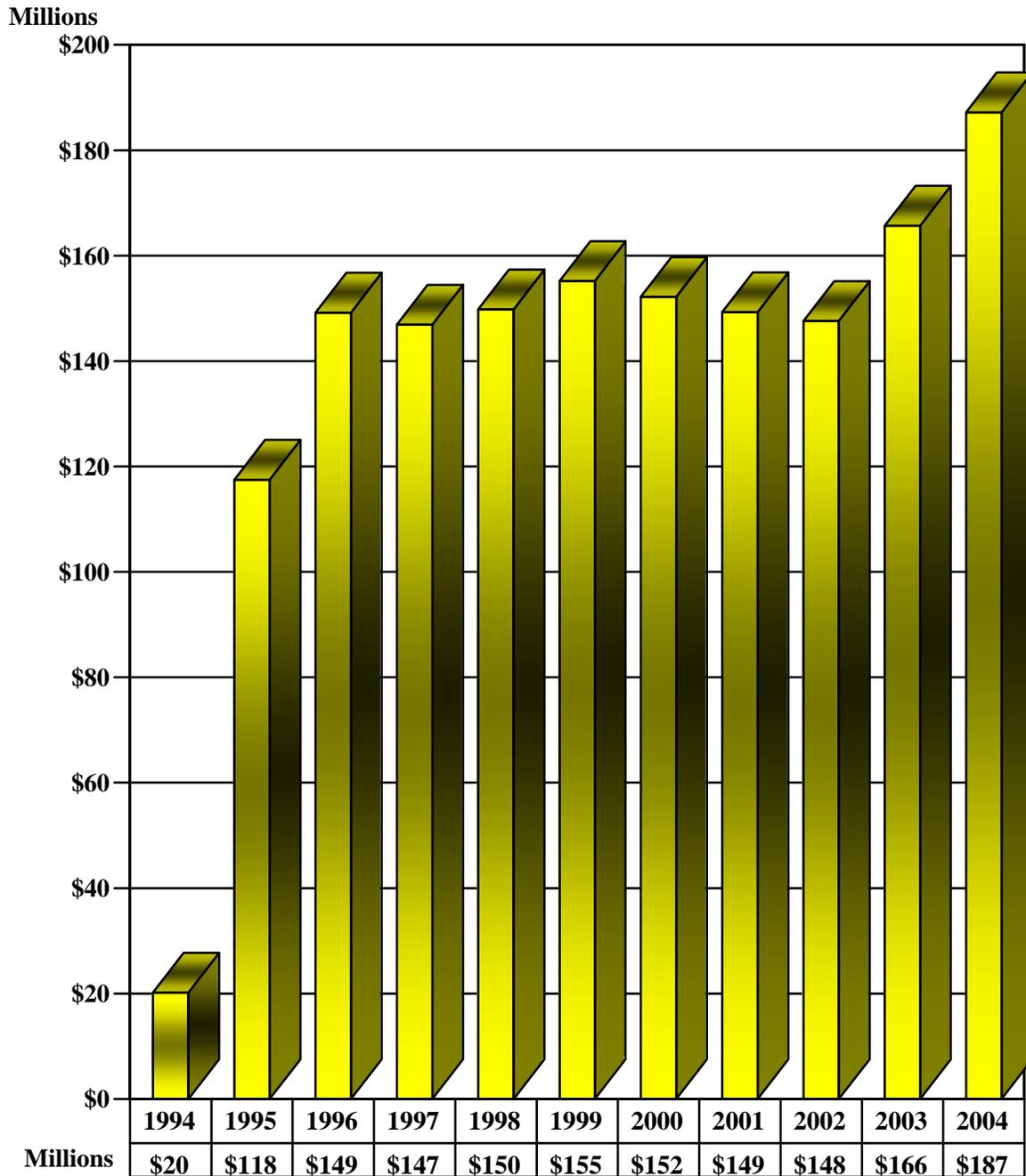
In-State Handle (2)

	Hoosier Park	Indiana Downs	Total
Thoroughbred/Quarter Horse	\$87,201,203	\$46,205,987	\$133,407,190
Standardbred	34,211,800	8,864,075	43,075,875
Total	\$121,413,003	\$55,070,062	\$176,483,065

(1) Hoosier Park wagered \$2,183,086 on Indiana Downs' simulcast signal (\$1,471,975 on standardbred and \$711,111 on thoroughbred + Quarter Horse). Indiana Downs wagered \$1,474,251 on Hoosier Park's simulcast signal (\$879,236 on thoroughbred + Quarter Horse and \$595,015 on standardbred). These handle numbers are included in the "**Export Handle**" above by source of signal and in "**In-State Handle**" by location of wager.

(2) Handle at Indiana OTB's on racing originating in-state is accounted for in "**In-State Handle**" source of wager (i.e. Hoosier Park's OTB handle on Hoosier Park's live racing is attributed to Hoosier Park).

Total In-State Handle



Distribution of the Wagering Dollar

The following is a breakdown of the distribution of all monies wagered at both Hoosier Park and Indiana Downs and their satellite facilities:

	Hoosier Park	Indiana Downs
Returned to Bettors	\$100,968,942.82	\$47,757,520.00
Track Share	\$15,376,534.09	\$7,119,359.79
Purses Earned	\$6,524,629.21	\$3,144,543.10
Pari-Mutuel Tax	\$3,525,341.78	\$1,566,820.50
Breakage	\$692,294.10	\$369,818.61
Total Handle	\$127,087,742.00	\$59,958,062.00

State Revenues

The following are the direct state revenues collected in accordance with the pari-mutuel statute IC 4-31:

	Hoosier Park	Indiana Downs
Pari-Mutuel Tax	\$3,525,341.78	\$1,566,820.50
Track Reimbursement for Officials	\$261,393.79	\$251,786.19
Occupational License Fees	\$168,069	\$101,575
Admission Tax	\$4,024.60	\$-0-
Fines and Civil Penalties Paid	\$24,750	\$13,975
Track Permit and License Fees	\$8,000.00	\$7,000.00
Total Revenue	\$3,991,579.17	\$1,941,156.69

The direct revenue received by the State of Indiana exceeded the cost of regulation. Indiana Horse Racing Commission operating expenditures for calendar year 2004 were \$1,979,078.00.

Occupational Licensing

Pursuant to IC 4-31-6 and 71 IAC 5-1-1, all persons participating in pari-mutuel racing under the jurisdiction of the Commission are required to be licensed. The licensing process is the backbone of the Commission's regulatory efforts. Each prospective licensee is fingerprinted. The Federal Bureau of Investigation (FBI) provide the Commission with criminal histories of all applicants. The Commission may refuse or deny the application for licensure of any person whose criminal or racing violation record is contrary to the public's best interest.

2004			
Category	Count	Category	Count
Owner, Standardbred	1,836	Owner/Trainer, Quarter Horse	40
Owner, Thoroughbred	1,729	Track Management	39
Groom	1,123	Racing Official	37
Track Employee	609	Trainer, Quarter Horse	29
Stable Name	438	Farrier	24
Owner/Trainer, Thoroughbred	408	Authorized Agent, Standardbred	22
Trainer, Thoroughbred	335	Asst. Trainer, Standardbred	21
Vendor Employee	330	Pony Rider	21
Owner/Trainer/Driver	260	Jockey Agent	18
Pari-Mutuel Clerk	260	Owner/Driver	15
Owner/Trainer, Standardbred	190	Valet	15
Owner, Quarter Horse	152	Gate Crew	14
Trainer, Standardbred	145	Veterinarian	12
Jockey	142	Vet. Assistant	12
Track Security	138	Other	11
Driver/Trainer	108	Apprentice Jockey	8
Commission Staff	88	Authorized Agent, Thoroughbred	6
Asst. Trainer, Thoroughbred	82	Asst. Trainer, Quarter Horse	6
Driver	66	Farrier's Assistant	2
Exercise Rider	66	Outrider	2
Vendor/Contractor	51		
Total Licenses Issued:		8910	

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Licenses Issued	1,922	5,269	6,292	7,152	7,806	7,877	7,808	8,191	9,365	9,037	8,910
Probationary Licenses Issued	21	54	53	68	80	70	89	113	107	160	131
Licenses Refused	16	10	29	26	21	2	9	16	13	9	12

Equine Drug Testing

Pari-mutuel horse racing can succeed as a legitimate major league sport only if its races are perceived by the wagering public to be honest, competitive contests, free from manipulation by man or drugs. With the exception of furosemide (salix) and phenylbutazone (bute), under regulatory restrictions, state law and Commission rules prohibit the presence of any drug in horses racing at a pari-mutuel track. The Commission's drug detection program is one of the nation's most comprehensive and its laboratory, one of the most respected in the racing industry.

Truesdail Laboratory in Tustin, California, serves as the primary testing laboratory for the Indiana Horse Racing Commission. Truesdail Lab has been a leader in racing chemistry and drug-related research for over 50 years. The following table indicates, by breed, the number of samples analyzed and the number of positive tests reported. In each instance, the offending horse was disqualified and placed last. In accordance with the pari-mutuel statute, all purse money earned is ordered returned and redistributed.

Breed	Race Dates	Urine	Blood	Positive Tests
Standardbred	142	1806	2452	13
Thoroughbred	108	2090	2394	11
Totals	250	3896	4846	24

The table below represents a further breakdown, by breed, of the name and types of drugs reported by the laboratory.

Number of Violations		ARCI	
Standardbred	Thoroughbred	Drug Classification	Type
7	1	Bute (Overage)	analgesic
	1	Banamine (Class 4)	analgesic
	1	Naproxen (Class 4)	analgesic
4		Prednisolone (Class 4)	corticosteroid
1		Guaifenesin (Class 4)	muscle relaxant
	2	Procaine (Class 3)	analgesic
1		Pyrilamine (Class 3)	antihistamine
	1	Terbutaline (Class 3)	bronchodilator
	3	Detomidine (Class 3)	tranquilizer
	2	Cocaine (Class 1)	local anesthetic

Human Drug Testing

Commission regulations provide that a licensee or an applicant for licensure may be required, if reasonable suspicion exists, to submit to a drug test. Commission rules require a minimum suspension of thirty (30) days for a positive test for an illegal drug.

Human Drug Testing	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Samples Tested	1	14	15	33	24	32	16	18	23	34	46
Positive Test Results	0	3	8	14	12	19	6	9	6	22	20

Breed Development Programs

Overview

Pursuant to IC 4-31-11, breed development funds have been established to promote the breeding of horses while stimulating the agri-business sector of the state's economy. Standardbred, thoroughbred and Quarter Horse breed development advisory committees make recommendations to the Commission regarding the distribution of these monies.

The Indiana bred program is funded by the Breed Development Fund established in the Indiana pari-mutuel statute. The Breed Development Fund consists of breakage (the difference in the rounding off of pari-mutuel payoffs), outs (all uncashed tickets), and the riverboat admissions tax allocation. The Indiana Horse Racing Commission receives 65 cents for every admission on an Indiana riverboat. Twenty (20) percent of the 65 cents goes into the Breed Development Fund. The Breed Development Fund is divided forty-eight (48) percent to the Indiana Thoroughbred Breed Development Fund and forty-eight (48) percent to the Standardbred Breed Development Fund and four (4) percent to the Quarter Horse Breed Development Fund.

Thoroughbred

The mission of the Thoroughbred Development Advisory Committee is to register thoroughbred horses for the Indiana bred program and provide incentives and awards to three important elements of the Indiana thoroughbred industry: the owner, the breeder and the stallion owner. The intent of these incentives and awards is to promote investment of capital into the Indiana economy (via thoroughbred breeding, racing and related agri-business) and maximize the positive impact to the state's economy. The incentives reward risk, and the awards reward success on the racetrack...through winning!

For foals of 1998 and the future, "Indiana bred" is defined as any thoroughbred foaled in the State of Indiana whose dam was registered with the IHRC and entered the State of Indiana by December 1 of the year prior to foaling. The mare must remain in Indiana continuously until foaling. The resulting foal will then be registered as an Indiana bred. In the event a mare entered the State of Indiana and was registered with the IHRC after December 1 of the year prior to foaling, the foal (which must be foaled in Indiana) will be eligible to be registered as an Indiana bred only if said mare was bred back to a registered Indiana stallion after foaling in Indiana.

2004 Distribution of Awards

Purse Supplements	\$ 1,012,000
Owners Awards	829,550
Breeders Awards	842,400
Stallion Owner Awards	102,190
Out-of-State Awards	<u>33,736</u>

Total \$2,819,876

Breed Development Programs

Standardbred

The Standardbred Breed Development Program continued with a lucrative program at Hoosier Park and Indiana Downs in 2004 that included a series of Late Closing events, the GENESIS Series and the Indiana Sires Stakes. Indiana Sired Late Closing events, Indiana Sires Stakes, Indiana sired overnights, GENESIS Series, and the Indiana Sired Mini Series awarded \$4,318,518 in purse money. The Breed Development program has provided an opportunity for the Indiana Sires Stakes to become one of the industry's premier programs. This program offered two series for two and three year olds, and a single series for aged horses in 2004 and awarded \$3,091,118 to Indiana Sired Horses. The success of the Indiana Standardbred Breed Development Program during 2004 has resulted in over 7.3 million dollars paid in purses at Indiana's pari-mutuel tracks to Indiana Sired horses, an increase of over \$400,000 from 2003. More than 1,651 broodmares were bred to registered Indiana stallions in 2004, assuring continuous growth of our State's standardbred industry.

The successful Indiana Sired Fair Circuit Program was continued for the county fairs and the Indiana State Fair. The Indiana Sired Fair Circuit racing programs awarded \$700,000 dollars in purses to owners of Indiana Sired horses. Through these efforts, the Standardbred Breed Development Program continues to develop and promote a fast growing and high quality Standardbred industry in the state of Indiana.

2004 Distribution of Awards

Purse supplements - Pari-Mutuel Tracks	\$1,901,800
Purse supplements - County Fairs	179,525
Purse supplements - State Fair	144,000
Indiana Sired & Breeder Awards	<u>680,432</u>

Total \$2,905,757

Breed Development Programs

Quarter Horse

The Indiana Quarter Horse Breed Development Committee was established in November of 1999 with the first breed development races occurring in the fall of 2000. Shirley Tresner, James Carmichael, DVM and Michael Renihan were the first to be named to the committee appointed by Governor Frank O'Bannon.

The purpose of the committee is to register Quarter Horses for the Indiana bred, foaled, and owned programs and provide incentives and awards for not only the race horse owners, but also the breeder and stallion owners. The intent of these incentives and awards is to promote investment of capital into the Indiana economy.

For foals of 2002 and the future, "Indiana Bred Quarter Horse" means any duly registered Quarter Horse foaled in Indiana whose dam was registered with the commission and entered the State of Indiana by December 1 of the year prior to foaling. The mare (dam) must remain in Indiana continuously until foaling. The resulting foal will then be eligible to be registered as an Indiana bred. Additional rules apply to those mares entered and registered with the commission after December 1.

2004 Distribution of Awards

Purse Supplements	\$ 102,000
Owners Awards	28,464
Breeders Awards	24,996
Stallion Owner Awards	<u>2,428</u>
Total	\$ 157,888

2004 Breed Development Fund Revenue

Breed	Breakage	Outstanding Tickets *	Riverboat Revenue	Total
Standardbred	509,814.10	426,626.40	2,646,608.93	3,583,049.43
Thoroughbred	509,814.10	426,626.40	2,646,608.93	3,583,049.43
Quarter Horse	42,484.51	35,552.20	220,550.77	298,587.48
Total	1,062,112.71	888,805.00	5,513,768.63	7,464,686.34

* Outstanding ticket revenue is based on tickets purchased in 2003 which expired in 2004.

Blood Gas Analysis Program

The purpose of the Blood Gas Analysis (BGA) program is to deter and detect the practice of "bicarbonate loading" or what is known in the racing business as "milkshaking." This practice generally entails giving a horse a large quantity of an alkaline substance, usually baking soda, prior to a race. The alkaline substance neutralizes the lactic acid that is produced during exercise and, as a consequence, delays the onset of fatigue. Research has demonstrated that this practice induces some horses to race faster times. Bicarbonate loading can give a horse an unfair competitive edge and thus compromise the integrity of the sport. This practice is strictly prohibited by the rules of the Commission.

The BGA Program is operated by the Commission in a small laboratory located in the paddocks at Hoosier Park and Indiana Downs. Blood samples of selected horses are analyzed prior to the race on a state-of-the-art blood gas analysis machine. Each sample is analyzed by a certified lab technician.

Riverboat Revenue

The statute permitting riverboat gaming in Indiana earmarks sixty-five (65) cents of the three dollar admission tax to the pari-mutuel horse racing industry. These funds are distributed to various segments of the racing industry in accordance with Commission rule 71 IAC 12-2-15.

2004 Riverboat Revenue Allocation to Racing From Admission Tax (65 cents)		
Purses		\$11,027,537.20
Standardbred	\$5,403,493.22	
Thoroughbred	5,403,493.22	
Quarter Horse	220,550.76	
Tracks		11,027,537.19
Hoosier Park	\$5,513,768.59	
Indiana Downs	5,513,768.60	
Breed Development		5,513,768.63
Standardbred	\$2,646,608.93	
Thoroughbred	2,646,608.93	
Quarter Horse	220,550.77	
Total		\$27,568,843.02

Distribution Formula: Pursuant to 71 IAC 12-2-15, riverboat revenue is allotted 40% to purses, 40% to the tracks and 20% to breed development funds.

2005 Race Dates

2005 Standardbred Race Dates



Hoosier Park - 61 dates (April 2 - June 25)

Indiana Downs - 82 dates (July 1 - October 29)

April						
S	M	T	W	T	F	S

* Dan Patch						
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30*

May						
S	M	T	W	T	F	S

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June						
S	M	T	W	T	F	S

* Hoosier Cup						
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25*
26	27	28	29	30	31	

July						
S	M	T	W	T	F	S

					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
S	M	T	W	T	F	S

	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September						
S	M	T	W	T	F	S

				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October						
S	M	T	W	T	F	S

						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					



Hoosier Park Dates



Indiana Downs Dates

Post Times

Hoosier Park Wednesday - Sunday 6:45 p.m.

Indiana Downs Tuesday - Saturday 6:55 p.m.

* Denotes Holiday or Special Race Event. Post times may differ.

Dates Approved September 20, 2004

2005 Flat Racing Race Dates

(Flat Racing denotes Thoroughbred and Quarter Horse race dates)



Indiana Downs - 48 dates (April 15 - June 18)
Hoosier Park - 60 dates (September 3 - November 25)

April						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May						
S	M	T	W	T	F	S
* Memorial Day						
	2	3	4	5	6	7
	9	10	11	12	13	14
	16	17	18	19	20	21
	23	24	25	26	27	28
29	*30	31				

June						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

September						
S	M	T	W	T	F	S
* Labor Day				1	2	3
4	*5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October						
S	M	T	W	T	F	S
* Indiana Derby Day						*1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November						
S	M	T	W	T	F	S
* Thanksgiving Day						
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	*24	25	26
27	28	29	30			

Post Times

Indiana Downs - Tuesday (Thoroughbreds Only) - 2:55 p.m.
Wednesday - Saturday - 6:55 p.m.

Hoosier Park - Wednesday - Sunday - 6:10 p.m.

- Indiana Downs Dates
- Hoosier Park Dates

* Denotes Holiday or Special Race Event; post times may differ.

Dates Approved September 20, 2004

Indianapolis Office

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Field Offices

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(317)-713-3355**